

STATE OF MONTANA

EMERGENCY AND DISASTER FUND

HANDBOOK FOR APPLICANTS

Pursuant to Title 10, Chapter 3 and Part 311

Montana Code Annotated

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C. PURPOSE

The information contained herein provides instruction and guidance to assist local governments in the administration of the Governor's Emergency and Disaster Fund. The majority of the information deals with State declarations only. In the event of a Presidential Declaration, refer to the applicable Federal Emergency Management Agency (FEMA) handbooks.

II. OVERVIEW

After an emergency or disaster declaration has been issued by the executive head of the political subdivision (10-3-402 or 10-3-403, MCA), and the emergency millage (10-3-405, MCA), is levied or committed, the political subdivision may request the Governor to declare their political subdivision an emergency or disaster area by means prescribed in current published rules and regulations. If the Governor declares an area, the jurisdiction may be eligible to receive assistance from the Governor's Emergency and Disaster Fund. Eligible applicants for assistance from the Governor's Emergency and Disaster Fund are political subdivisions of the State: incorporated cities, towns, counties, and other political jurisdictions deemed to be legal by legislative action or by opinions of the State Attorney General.

III. DEFINITIONS

- A. "*Emergency*" means the imminent threat of a disaster causing immediate peril to life or property which timely action can avert or minimize. [Section 10-3-103 (6), MCA]
- B. "*Disaster*" means the occurrence or imminent threat of widespread or severe damage, injury, or loss of life or property resulting from any natural or man-made cause, including tornadoes, windstorms, snowstorms, wind-driven water, high water, floods, wave action, earthquakes, landslides, mudslides, volcanic action, fires, explosions, or air or water contamination requiring emergency action to avert danger or damage, blight, droughts, infestations, riots, sabotage, hostile military or paramilitary action, disruption of state services, or accidents involving radiation byproducts or other hazardous materials. [Section 10-3-103 (3), MCA]
- C. "*Fund*" means that appropriation and spending authority provided for in 10-3-312 (1), MCA.

IV. EMERGENCY AND DISASTER EXPENDITURES

A. The Governor **may** authorize State disaster assistance when:

- 1 . The emergency or disaster justifies the expenditure and
2. The political subdivision is declared an emergency or disaster area by the Governor.

B. The emergency or disaster must:

1. Result in damage to the works, buildings or property of the State or any political subdivision thereof or
2. Menace the health, welfare, safety, lives or property of any considerable number of persons in any political subdivision of the State.

C. Each political subdivision must demonstrate that:

1. It has exhausted all available emergency levies (i.e., the two mill emergency levy, Section 10-3-405, MCA) and
2. The emergency or disaster is beyond the financial capability of the political subdivision and no appropriation in the affected fund is available in sufficient amount to meet the needs of the emergency or disaster. The financial resources available to the political subdivision shall include the maximum permissive levy for the fund or account financing the governmental function that is obligated to respond (e.g., road damage - road fund, bridge damage - bridge fund, etc.).

V. STATE RESPONSIBILITIES

- A. The DES Administrator or designated representative is responsible for administration of the Governor's Emergency and Disaster Fund.
- B. The Administrator, DES Division or the designated representative is responsible for providing information, guidance, advice and assistance to political subdivisions making application for State Disaster Assistance.
- C. Other State agencies may be requested, as needed, to assist in administration: Damage Survey Report (DSR) preparation, final inspections, audits etc.

VI. LOCAL GOVERNMENT RESPONSIBILITIES

Local governments have the responsibility for planning the disaster assistance effort and performing the necessary disaster relief work in accordance with local government rules and regulations in effect prior to the disaster. The availability of State disaster assistance does not lessen the responsibility of local authorities as the first line of response and recovery.

VII. BENEFITS

Upon approval by the Governor, money from the Emergency and Disaster Fund may be provided to meet eligible disaster relief needs requested by the political subdivision(s) identified in the Governor's declaration.

VIII. CATEGORIES OF ELIGIBLE WORK

- A. Emergency and permanent disaster related work is divided into eligible categories which correspond to those identified on the DSR and the Project Application: The categories are:

CATEGORY A - Debris Clearance

(Examples – Debris on Public Property; Debris on Private Property; Building Demolition; Natural Stream Clearance; Man-Made Water Control Facility Clearance; Emergency Levee Removal)

CATEGORY B - Emergency Protective Measures

(Examples – Search and Rescue; Security and Traffic Control; Emergency Medical Care; Disposal of Dead Animals; Pumping Basements; Vector Control; Emergency Levees/Berms; Emergency Pumping; Emergency Evacuation; Mass Care and Other Essential Needs; Emergency Repair or Replacement of Essential Public Facilities; Emergency Access; Erosion Control; Emergency Communications; Emergency Transportation)

CATEGORY C - Roads and Bridges

(Examples – Culverts; Bridges; Roads and Streets; Low Water Crossings; Sidewalks; Curb and Gutter; Traffic Control Signs and Lights; Guardrails)

CATEGORY D - Water Control Facilities

(Examples – Dams; Levees; Canals; Jetties and breakwaters; Debris Catch basins; Diversion Structures; Drop Structures)

CATEGORY E - Buildings and Equipment

(Examples – Buildings; Furnishings and Equipment; Inventory; Consumable Supplies; Service Equipment)

CATEGORY F - Utilities

(Examples – Storm Sewers; Sanitary Sewers; Water Lines; Solid Waste Disposal; Power Generation, Transmission, and Distribution System; Telephone Systems; Lift Stations; Pump Stations)

CATEGORY G - Parks, Recreational Facilities and Other Items

(Examples – Playgrounds; Swimming Pools; Boat Docks and Piers; Bath House and Restrooms; Tennis Courts; Picnic Tables and Grills; Golf Courses; Man made Beaches; Trees, Grass and Landscaping)

- B. Emergency work is normally the responsibility of the local political subdivision. It involves taking those actions necessary to prevent suffering and hardship or to remove threats to safety of life or property. Such work is temporary in scope and intended to provide immediate and limited service.

- C. Permanent work is directed toward the restoration or replacement of a facility or system based upon predisaster design and other considerations: State and Local regulations, preset specifics and standards and mitigation measures which reduce the possibility of a similar occurrence during a future emergency or disaster (see section IX. – Mitigation).

IX. POST DISASTER MITIGATION

The disaster assistance referenced in the above paragraphs may include appropriate cost effective hazard mitigation measures related to damaged public facilities. The damage survey team will consider mitigation at each site in which a DSR is written. The DES Administrator may authorize a hazard mitigation measure that is not required by applicable codes, specifications and standards if it is in the public interest and:

- B. The mitigation measure will substantially alleviate or eliminate recurrence of the damage done to the facility by the disaster.
- B. The measure is feasible from the standpoint of sound engineering and construction practices.
- C. The measure is cost effective in terms of the life of the structure, anticipated future damages and other mitigation alternatives.
- D. Floodplain management and applicable environmental requirements are met.

X. APPLICATION PROCEDURES

- A. As soon as possible following an emergency or disaster declaration, the DES Administrator or the designated representative will hold meetings to brief applicants on procedures and eligibility of work items. At the briefing, applicants will be given instructions on the use of the following forms:
 - 1. Designation of Applicant's Local Agent (Attachment #1)
 - 2. Damage Survey Report (Attachment #2)
 - 3. Project Application for State Financial Assistance (Attachment #3)
 - 4. Request for Advance of Funds (Attachment #4)
 - 5. Schedule of Approved Equipment Rates (Attachment #5)
 - 6 . Summary of Documentation (SOD) in Support of Amount Claimed (Attachment #6)
 - 7. Final Inspection Report (Attachment #7)
 - 8. Blanket Certificate (Attachment #8)
- B. Each applicant must designate a local agent (Attachment #1) as the primary contact and responsible party with authorization to sign all documents on behalf of the applicant.

- C. Following the Applicant's Briefing, Damage Survey Reports (DSRs), (Attachment #2), will be completed by teams of State and local inspectors.

The DSRs will record the damage findings. Separate reports will be prepared for each project within the eligible work categories. When the DSRs have been completed, State and local representatives should sign them indicating concurrence.

DSRs will be consolidated into a Project Application (Attachment #3) and forwarded for approval to the Administrator, Disaster and Emergency Services Division, P.O. Box 4789, Helena, Montana 59604.

XI. PROCUREMENT

C. State and Local Statutes

Each applicant shall assure that work and services authorized by Approved Project Applications will comply with State and local statutes, regulations and ordinances.

D. Contingent Payment

Each applicant shall assure that no contract entered into by the applicant shall contain a provision which makes payment contingent upon reimbursement from the State Emergency and Disaster Fund.

E. Cost-Plus Contracting

Cost-plus-percentage-of-cost contracts will not be approved.

XII. TIME LIMITATIONS

Work on approved projects must commence and be completed within the specified time limits as established in the Approved Project Application. The criteria for performing such work is:

F. Project Applications

Project applications shall be submitted to the DES Administrator within 90 days following the date of the Governor's declaration. When warranted, the DES Administrator may extend the time limitation; the applicant must request an extension.

G. Time Limitations

Time limitations for State assistance shall begin with the Governor's declaration of an emergency or disaster and shall terminate upon expiration of these prescribed periods:

	Initiation Deadline	Completion Deadline
1. Debris Clearance	30 days	180 days
2. Emergency Protective Measures	30 days	180 days
3. Permanent Restoration	Projects	18 months

C. Exceptions

Based on extenuating circumstances or unusual project requirements clearly beyond the control of the applicant, the DES Administrator may extend any of these time periods, not to exceed six months, on a project-by-project basis. The applicant must submit a written request for an extension.

XIII. ELIGIBLE AND INELIGIBLE COST CRITERIA

The following material lists the eligible and ineligible costs for specific categories.

A. Salaries, Wages and Administration

1. Eligible Costs

Overtime salaries, wages and payroll additives of all the applicant's regular employees directly engaged in the performance of the eligible disaster work.

Salaries, wages and payroll additives for all extra employees.

2. Ineligible Costs

Regular salaries, wages and payroll additives of the regular employees. Administrative expense including:

- a. Salaries, wages and expenses of local officials who are responsible for directing and performing regular government activities.
- b. Salaries, wages, fees and expenses of individuals or firms while engaged in the preparation and processing of DSRs, Project Applications, Claims for Payment and Support Documentation.
- c. Related legal fees.
- d. Office supplies and equipment.
- e. Rent.

- f. Telephone and telegraph expense.
- g. Interest charges.
- h. Reimbursement to individuals or private organizations for the cost of performing services on their own property.

B. Equipment, Supplies and Material

1. Eligible Costs

1. Materials and Supplies

Cost of materials and supplies consumed in eligible disaster work, including those procured by direct purchase or taken from the applicant's stock.

b. Force Account

Costs incurred over and above the normally scheduled work day in the operation of applicant-owned equipment or other publicly owned equipment used by an applicant in eligible disaster work. Such costs will be based on FEMA's Schedule of Approved Equipment Rates: <http://www.fema.gov/government/grant/pa/eqrates.shtm>, or the local jurisdictions equipment rates, whichever rates are lowest. This schedule includes depreciation, all repairs, fuel, lubricants, tires etc. If an applicant uses equipment which is not listed on the rate schedule, he should submit the year, make, model, horsepower and original cost (if available) of the equipment to the DES Administrator; the Administrator will furnish the allowable rate.

2. Ineligible Costs

- a. Costs for transportation equipment utilized by the Sheriff and other employees whose duties do not change because of the disaster.
- b. Costs of hand tools (shovels, handsaws, hammers etc.), personal equipment and protective clothing used in performing eligible work.
- c. Charges for insurance, storage, overhead and administrative costs.

C. Rental Equipment

1. Eligible Costs

Rental costs of privately owned equipment used in performing eligible disaster work. The rental rates must be comparable to the current rates in the locality for similar types of equipment.

2. Ineligible Costs

Repair or replacement equipment damaged while performing eligible work should usually be covered by the rental rates. Costs of such repairs or replacement not covered by the rental rates may be eligible only when the applicant is responsible for those costs under the terms of a written lease or rental agreement.

D. Contract Work

1. Eligible Costs

- a. Reasonable costs for work performed by private contractors on eligible projects contracted for in accordance with local statutes.
- b. Reasonable costs for architectural and/or engineering services on eligible projects.

2. Ineligible Costs

- a. Costs incurred under contracts based on cost plus a percentage of costs, except where performance of immediate emergency work would be unduly delayed and where such a delay would extend or create a hazard to health or safety. A justification for this type of contract must be available at the applicant's office of record.
- b. Costs incurred under contracts based on contingency clauses.

E. Land Easements and Rights-of-Way

Any and all costs incurred for lands, easements, rights-of-way and damage to private property are ineligible.

XIV. ADVANCE OF FUNDS

State funds may be advanced to an applicant on the basis of an Approved Project Application to meet the applicant's funding needs. Requests must be submitted in writing to the DES Administrator.

An Advance of Funds request (Attachment #4) accompanied by 100 percent complete DSRs and the Summary of Documentation (SOD), will be considered for full reimbursement.

Any advance funds that are in excess of the approved expenditures as accepted by final audit by the State Government must be refunded promptly to the State.

XV. CLAIMS FOR REIMBURSEMENT

A. Claims

The applicant must submit claims within 60 days of work completion to receive final reimbursement from the Governor's Emergency and Disaster Fund. These claims must be submitted on a SOD form (Attachment #6).

B. Summary of Documentation

A separate SOD will be submitted for each DSR for which reimbursement is requested. Each SOD will be broken down into separate categories for labor, equipment, materials and contract costs, if applicable. Supporting documentation for each site specific DSR must accompany the SOD.

The applicant should prepare a SOD as soon as all work is completed and all payments have been made. Representatives from the Disaster and Emergency Services Division will provide guidance or other necessary assistance to applicants in preparing the Summary.

1. Cost Overruns

Costs overruns will be identified and broken down into two main categories:

- a. Those due to variations of unit prices and/or
- b. Overruns because of increased quantities of labor or material with no change in the scope of eligible work.

2. Supporting Documentation

Documentation to support all disaster related costs incurred by the applicant must be available at one central office for audit purposes. Specific requirements are discussed below.

a. Cost directly incurred by the applicant

Schedules or work papers must be prepared to document the amounts claimed by these costs. These schedules will identify the source documents from which the information is taken and will include the following information:

1) Applicant's Employees

- a) Claims for eligible employee time must be supported by payrolls which give payroll period and the following information for each employee:
 - i Name.

ii Job Classification – laborer, driver etc.

iii Number of hours worked each day (show dates).

Iv Total hours worked.

V Rate of pay.

Vi Total earnings.

Vii Paycheck number.

- b) The total claim must be broken down to show the categories of work (debris clearance, street repair, bridge repair etc.), location(s) of work performed and be identified by the appropriate DSR number.
- c) If time-and-one-half is paid to regular hourly employees for overtime, or if any overtime is paid to monthly employees, these payments must be in accordance with policy established prior to the disaster.
- d) The applicant's payroll must clearly indicate the eligible wages covering work authorized in the Approved Project Application.

b) Applicant-Owned Equipment

Claims for the use of applicant-owned equipment on eligible disaster work must be supported by a schedule similar to a payroll described above. The schedule must contain the following information for each piece of equipment:

- a) Type and description of equipment.
- b) Number of hours used each day (show dates).
- c) Total hours used.
- d) Hourly rate from schedule of Approved Equipment Rates (Attachment #5).

3) Material from Applicant's Stock

- a) The total claimed must be broken down to show the category of work, location(s) where and/or how the material and supplies were used and be identified by the appropriate DSR number.
- b) The unit cost must be supported by one of the following:
 - i An invoice covering the original purchase of the item.

- ii An invoice covering replacement of the item.
- c) Regardless of the supporting document, only the actual unit cost paid to the supplier, excluding handling and overhead, will be reimbursed.

4) **Material, Equipment Rental and Services**

Supporting documentation is also required for costs incurred from sources other than the applicant: invoices for material, equipment rental and services. Specific requirements for these invoices are as follows:

a) **Material**

Invoices must describe the material furnished, the date furnished and include the following information:

- i Quantity.
- ii Description.
- iii Unit cost.
- iv Total cost of each item.
- v Total amount of invoice.

The applicant must indicate on the invoice where and/or how the material was used and the amount applicable to the related DSR.

b) **Equipment Rental**

Invoices covering equipment rental must include the following information:

- i Type and description of equipment.
- ii Rate per hour (indicate with or without operator).
- iii Dates used.
- iv Hours used each day.
- v Total rental for each piece of equipment.
- vi Total amount of invoice.

The applicant must indicate on the invoice where and/or how the equipment was used and the amount applicable to the related DSR.

5) Invoices from Other Political Subdivisions

a) Invoices covering material must give the same details as required for regular vendors. The unit cost used to compute the amount claimed must be the actual unit cost paid to the supplier with nothing added for handling, overhead etc.; the same as for the applicant's material.

b) Invoices covering equipment rental must give the same details as required for applicant-owned equipment. The rates used to compute the amount claimed must be the same as for applicant-owned equipment. Invoices covering labor must give the same details as required for applicant's employees.

6) Contracted Work Invoices

The applicant must indicate on a contractor's invoice whether it is a lump sum or cost-type contract. A copy of the contract must be attached to the invoice. The contractor must furnish a detailed breakdown of cost for cost-type contracts.

7) Other Requirements

The applicant must show the date, amount paid, check, warrant number or evidence of cash payment on each invoice. Any invoices not paid will be disallowed. Earned cash discount (payment made within discount date indicated on invoice) must be deducted from the total of the invoice; only the net amount paid may be claimed.

The applicant must maintain adequate disbursement and accounting records; they must be made available to the State Auditors upon request.

XVI. FINAL INSPECTION

After all eligible work is completed, final inspections will be scheduled with appropriate state and local inspectors. They will ensure that all eligible work has been completed as described in the DSR scope of work and no betterment was realized (Attachment #7).

DSRs that are 100 percent complete at the time of preparation do not require final inspections.

XVII. BLANKET CERTIFICATE

Upon completion of all eligible work approved in the Project Application, the applicant's authorized representative must sign and submit a Blanket Certificate (Attachment #8) to the DES Administrator. This certificate certifies the validity of the claims and is necessary for the State to make final payment.

XVIII. AUDITS

The Department of Commerce, Local Government Services Division, Bureau Chief or the designated representative shall have access to all documents and records that pertain to the applicant's emergency expenditures for the purpose of conducting an audit. The audit will be accomplished by the Division at a regularly scheduled audit of that political jurisdiction. Expenditures of the Governor's Emergency and Disaster Funds may also be subject to an audit by the Legislative Auditor (Section 5-13-304, MCA); all documents and records that pertain to the applicant's emergency expenditures shall be made available.

XIX. FINAL REVIEW AND REQUEST FOR FINAL PAYMENT

The DES Administrator or the designated representative will administer the review and approval of final payments.

Approval for final payment is based on Approved Project Applications, the Summaries of Documentation submitted by the applicant and the final State Audit. In some cases, the final payment may be made prior to the audit. If so, any funds received that are in excess of the approved expenditures as accepted by the Final State Audit **will be** promptly refunded to the State.

XX. APPEALS PROCEDURE

An appeal is a request from an applicant for reconsideration of any action related to the State assistance. The appeal must be submitted to the Department of Military Affairs Adjutant General through the DES Administrator. The request should include information supporting the reconsideration. All appeals must be made within 15 days after the receipt of the action necessitating the appeal. The Department of Military Affairs Adjutant General will notify the applicant of the decision to accept or deny the appeal following review and investigation.

SAMPLE FORMS:

- [#1 Applicant Agent Form – Word Format](#)
- [#2 Applicant Agent Form – PDF Format](#)
- [#3 Project Worksheet – Excel Format](#)
- [#4 Project Worksheet – PDF Format](#)
- [#5 Project Application – Excel Format](#)
- [#6 Project Application – PDF Format](#)
- [#7 Advance of Funds Form – PDF Format](#)
- [#8 Summary Of Documentation “SOD” – Excel Format](#)
- [#9 Final Inspection Report – PDF Format](#)